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TAGS: [PGOV](#) [PREL](#) [SOCI](#) [ECON](#) [PINR](#) [KDEM](#) [KTIP](#) [SG](#)
SUBJECT: GOLD IN SENEGAL; BUT THIS IS NO ELDORADO

Classified By: CDA J.T SMITH FOR REASON 1.4 (b) AND (d)

11. (C) Summary. In an effort to verify claims of alleged child labor and to get a first-hand look at Senegal's up-and-coming gold mining sector, Poloff conducted an unannounced visit to an artisanal gold mining village near Kedougou. Reports of child exploitation could not be fully corroborated. Meanwhile, against the backdrop of a December 2008 riot in Kedougou, poloff also visited a large-scale Australian mining operation that some claim were cheating them out of jobs. A visit to the Sabodola Gold Mines confirmed an operation at full employment capacity but a tacit acknowledgement from management that more needed to be done on the public relations front to explain to the local population what gold mining is about and how much they have already contributed to the local economy. End Summary.

Welcome to the Kedougou "Gold Rush"

12. (C) The artisanal gold mining area around the village of Bantoko is some 32 miles north of Kedougou in an area that has been long been known for its gold reserves. Poloff visited the site to investigate reports of widespread child labor. These claims appear to be overstated. The gold mining operation in the mines surrounding the village of Bantoko is amateur and relies chiefly upon heavy labor. Each mine that was visited had a team of about ten men aged between 17 and 50 working around a single hole that some had been digging for up to two years. Mining of this style is hazardous work that is extremely labor intensive, requiring a lot of strength. Holes that are 10-15 meters deep are dug by hand, braced with wooden scaffolding and then soil is hauled up using a makeshift pulley to which miners attach the ubiquitous 50 kilo rice bags seen in all of Senegal's markets. The men work in shifts extracting bucketfuls of ore that they then pound into gravel and sift for gold. The actual amount of gold, if any, extracted from a bucketful of ore is less than a few milligrams. Poloff worked both the pulley and pounded the gravel into a fine dust and judges that it is not a job that a pre-teen or young teen could do. While children were present in the mining town, they were there as part of larger family units that accompany the miners.

Rules of Engagement

13. (C) The extracted gold is usually sold to traders who export it to Mali. A typical operation consists of a mix of Senegalese, Gambian, and Malian workers reporting to a Senegalese owner and a head miner known as the "Tumbulumain." Tumbulumaines provide security for various sites and organize the entire mining operation. The Tumbulumain also represents the village chief who is paid a royalty on all gold that is mined. The mining town of Bankoto was rather destitute, with indications of prostitution. In spite of the

remoteness of the town, many of the shopkeepers were Mourides from Touba known as "Baol". In a wry comment, one of these shopkeepers noted, "These southerners are neither interested nor have the know-how to trade." Reports of the use of mercury also appear to be overstated, since most artisanal miners have been taught how to utilize mercury in a safe way by a local NGO called "La Lumiere." Poloff also established that artisanal miners receive the going rate of USD22/gram for the gold that they extract.

Welcome to the Big Leagues

¶4. (C) Poloff's visit to Sabodola Gold Mines (run by Australian mining firm MDL) was a sharp contrast to the artisanal mining operation. A twenty-six square kilometer tract of land has been leased to the company, which sits atop a long vein of gold deposits that is known to run hundreds of miles from Mali to Burkina Faso. Giant one-hundred-ton Komatsu dump trucks extract sixty tons of ore in a single load. When poloff asked why they did not buy American, the mine's chief foreman replied that Komatsu's package was USD 4 million less than Caterpillar's and that Komatsu included the tires in the deal. Each tire for these behemoths costs USD 20,000. Work that would take artisanal miners years is literally done in seconds. The rock ore is then put through a four story high industrial crusher and mixed with cyanide to extract the gold. The Sabodola plant goes through 1.2 million tons of rock ore in a month as about each ton of ore contains maybe 2-3 grams of gold. The current excavation site is relatively small and at the time of Poloff's visit they had only dug a pit down to twenty meters. The final pit

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is expected to be 1 kilometer long, 600 meters wide and 250 meters deep and the company does have a plan to return the environment to the way it was before they arrived. 140 megatons (NOTE: 1 megaton equals one million tons. ENDNOTE) of rock ore will be stripped from the land towards reaping expected reserves of 21.7 metric tons of gold.

Significant Investment under the Radar

¶5. (C) In spite of a 300 million dollar investment, local discontent associated with mining activities has clearly left the company on edge. They openly admitted to not doing a very good job of public relations or marketing even though MDL has built several clinics and schools while also purchasing all of their food products to feed their 700-plus employees from local villages. However, a lack of a clear message from all the mining companies in the area as well as the government means that local people do not recognize these contributions and expect more results from the precious resource being extracted from their land. Sabodola officials remarked that mining giant Arcelor-Mittal made things worse when they posted signs throughout the region pointing to all the future development they will be making. The Government of Senegal (GOS) has given its strong support for this project and President Wade was present for the grand opening. Oromine, a Canadian company, and Rand Corporation, a South African company, are also in the surrounding area prospecting for locations to establish a mine.

Fair Wages and Treatment for the Few Chosen

¶6. (C) 1700 workers, consisting primarily of local unskilled Senegalese, were utilized in the construction of the plant, its dormitories, perimeter fencing, retention lakes, and roads. After construction was completed, the labor force was cut to 700. This remaining workforce consists of 400 skilled Senegalese nationals with the rest coming from 22 other countries. Labor standards within the plant are way above local norms. The employees live in air-conditioned dorms, have high pay, food whenever they come off shift and

amenities such as a massive games and movie room and a gym. The employees work 10-hour days (12 hours if overtime) for two weeks and then get paid one week's leave. Air conditioned buses take workers back to Dakar during their scheduled one-week furlough. The plant has been operational for eight months without an accident or employee injuries to date.

Comment

17. (C) Sabodola Gold Mines and other foreign mining elements need to establish a stronger commitment towards working with the local population. While wages and conditions for their few workers are exemplary, they have not made enough provisions towards engaging the local population in highly visible socially responsible activities. The possibility of a recurrence of the December 2008 riots is possible if local people feel that they are not getting.
SMITH